

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 ISO-00 CCO-00 CIAE-00 OTPE-00

FCC-01 INR-07 NSAE-00 OC-05 USIA-06 COME-00 BIB-01

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 8525

INFO AMEMBASSY MEXICO

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POUCHED AS INFO TO ALL CONSULATES IN CANADA

E.O. 11652: N/A

TAGS: ETEL, CA

SUBJ: TELEVISION POLICY QUESTION - JAN 13 CONSULTATIONS

1. SUMMARY: THIS CABLE REPORTS ON MEETING IN OTTAWA JANUARY 13 BETWEEN GOC OFFICIALS AND U.S. DELEGATION LED BY DEPUTY ASSISTANT SECRETARY OF STATE VINE AND FEDERAL COMMUNICATIONS CHAIRMAN WILEY TO DISCUSS CANADIAN RADIO AND TELEVISION COMMISSION' (CRTC) REQUIREMENT FOR DELETION OF COMMERCIALS FROM SIGNALS OF U.S. TV STATIONS CARRIED ON CANADIAN CABLE TV SYSTEMS. MEETING WENT VERY WELL WITH CANADIANS AGREEING TO MEET AGAIN IN NEAR FUTURE TO CONSIDER ALTERNATIVES TO PRESENT COMMERCIAL DELETION POLICY. END SUMMARY.

2. JANUARY 13 MEETING WAS CHARACTERIZED BY FORCEFUL AND CANDID EXCHANGES OF VIEWS ON CRTC'S COMMERCIAL DELETION POLICY BUT ATMOSPHERE OF DISCUSSIONS WAS FRIENDLY AND CONSTRUCTIVE THROUGHOUT. GOC PRESENTATION WAS CONSISTENT WITH VIEWS AND INFORMATION EMBASSY HAD PREVIOUSLY OBTAINED FROM GOC OFFICIALS, EXCEPT THAT THERE WERE NO ALLUSIONS TO U.S.-MEXICAN BROADCASTING

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ARRANGEMENTS (PERHAPS FORECLOSED BY FCC CHAIRMAN WILEY'S OPENING STATEMENT WHICH DELAT INTER ALIA WITH MEXICAN

BORDER SITUATION). CONSIDERABLE EMPHASIS WAS PUT ON "DRAIN" FROM CANADIAN TV SYSTEM OF \$20 MILLION FROM DIRECT PLACEMENTS AND \$35-40 MILLION IN SPILLOVER WHICH SUMS WERE CONTRASTED WITH REPORTED 1974 PROFITS OF SYSTEM AT \$6.5 MILLION. PRINCIPAL POSITIVE RESULT OF MEETING WAS GOC AND CRTC INDICATION OF WILLINGNESS TO CONSIDER ALTERNATIVES TO COMMERCIAL DELETION AS MEANS TO REALIZE CANADIAN BROADCASTING POLICY OBJECTIVES AND AGREEMENT TO MEET AGAIN IN NEAR FUTURE TO DISCUSS ANY ALTERNATIVES THAT MAY BE PUT FORWARD. CRTC SPOKESMAN GAVE ASSURANCE THAT CRTC WOULD WELCOME AND BE PREPARED TO EXAMINE PROPOSALS FROM PRIVATE U.S. BROADCASTING INTERESTS AND URGED THAT ANY SUCH PROPOSALS BE SUBMITTED ASAP.

3. GOC DELEGATION SAID IT COULD NOT AGREE TO MORATORIUM PROPOSED BY U.S. WITH RESPECT TO FURTHER IMPLEMENTATION OF DELETION POLICY BUT WOULD BE WILLING TO STATE "ON BACKGROUND" THAT GOC DID NOT ANTICIPATE FURTHER "ENFORCEMENT" OF DELETION BETWEEN NOW AND NEXT MEETING AS LONG AS THERE IS "NO ACTION BY USG REGULATORY AGENCIES ON RELATED MATTERS" (A REFERENCE TO THE BUFFALO JAMMING APPLICATION AND ABC PRE-RELEASE PETITION). CRTC SPOKESMAN (SHOEMAKER) CLARIFIED TERM "ENFORCEMENT" BY POINTING OUT THAT IN INTERIM BEFORE NEXT MEETING THERE WOULD PROBABLY BE MORE CRTC DECISIONS ON LICENSE RENEWALS WHICH WOULD CALL FOR A DEVELOPMENT OF DELETION PLANS BY LICENSEES BUT THAT CRTC WOULD NOT PRESS FOR IMPLEMENTATION OF SUCH PLANS. (LANGUAGE OF TORONTO-HAMILTON DECISIONS IS LIKELY TO BE EMPLOYED. THIS CALLS FOR NEGOTIATION OF AGREEMENTS BETWEEN CABLECASTERS AND BROADCASTERS SUBJECT TO SUBSEQUENT CRTC APPROVAL.)

4. GOC DELEGATION NOTED U.S. PROPOSAL TO DEFER IMPLEMENTATION OF PROVISIONS OF BILL C-58 RELATING TO BROADCASTING AND PROMISED TO REPORT PROPOSAL TO MINISTERS BUT GAVE NO ENCOURAGEMENT THAT IT WOULD BE ACCEPTABLE. THEY INDICATED THAT BROADCASTING PROVISIONS OF BILL (WHICH HAS NOT YET BEEN PASSED BY PARLIAMENT) WOULD PROBABLY BE PROCLAIMED EARLY IN 1976 TO BE EFFECTIVE WHEN THIRD VANCOUVER TV LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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STATION COMES INTO OPERATION IN SEPTEMBER 1976.

5. HEAD OF GOC DELEGATION (SHORTLIFFE, EXTAFF) SUGGESTED NEXT MEETING TAKE PLACE BEFORE END OF FEBRUARY BUT U.S. DELEGATION WAS NOT PREPARED TO FIX DATE NOW AND IT WAS AGREED THAT QUESTION OF TIMING, VENUE, AND LEVEL OF MEETING WOULD BE LEFT OPEN FOR TIME BEING.

6. TEXT OF AGREED COMMUNIQUE READ TO PRESS AT END OF MEETING IS BEING TRANSMITTED BY SEPTTEL.

7. COMMENT: THIS REPORT WAS PREPARED AFTER DEPARTURE OF U.S. DELEGATION. IN EMBASSY'S VIEW, MEETING CAN BE CONSIDERED SUBSTANTIAL SUCCESS. GOC REPRESENTATIVES SHOWED MORE UNDERSTANDING OF U.S. POSITION AND POLITICAL REAMIFICATIONS OF ISSUE THAN MIGHT HAVE BEEN EXPECTED ON BASIS OF MEDIA REPORTS BEFORE MEETING WHICH EMPHASIZED RELATIVELY LOW LEVEL OF GOC DELEGATION AND FIRM GOC POSITION THAT MEETING WAS NOT FOR PURPOSES OF NEGOTIATION. ALTHOUGH GOC OFFICIALS OBVIOUSLY HAD HIGHLY RESTRICTED MANDATE AND WERE UNABLE TO AGREE TO U.S. MORATORIUM PROPOSALS, THEY DID SHOW OPEN MIND ON ALTERNATIVES TO DELETION AND COMMITTED THEMSELVES TO CONTINUING DIALOGUE. PRIVATELY SOME INDICATED SYMPATHY WITH U.S. ARGUMENTS BASED ON GROUNDS OF EQUITY.

8. MEDIA COVERAGE HAS BEEN GENERALLY HELPFUL. WHILE SOME COMMENTATORS NOTE THAT NOTHING HAS CHANGED, REPORTS HAVE EMPHASIZED FACT THAT FURTHER MEETING WILL TAKE PLACE AND THAT CRTC HAS AGREED TO CONSIDER ALTERNATIVES. WE ARE FORWARDING CLIPPINGS TO EUR/CAN, EB/TT/TD AND FCC.

9. REPRESENTATIVES OF U.S. TV INTERESTS WHO WERE HOVERING IN BACKGROUND AT POST-MEETING PRESS CONFERENCE EXPRESSED THEMSELVES AS PLEASED WITH RESULTS AND OFFERED CONGRATULATIONS TO U.S. DELEGATION.

10. KEY QUESTION NOW IS WHETHER AND HOW QUICKLY USG AND/OR PRIVATE U.S. INTERESTS CAN COME UP WITH NEGOTIABLE ALTERNATIVES TO CRTC'S COMMERCIAL DELETION POLICY. GOC REPS REPEATEDLY EMPHASIZED NEED FOR PROMPT LIMITED OFFICIAL USE  
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MOVEMENT ON ISSUE AS CRTC IS NOT WILLING HOLD UP "ENFORCEMENT" OF ITS POLICY OVER LENGTHY PERIOD. FINALLY, WHILE THEY AGREED TO RECEIVE PROPOSALS FROM INDUSTRY, THEY MADE IT CLEAR THEY WOULD NEGOTIATE ONLY WITH USG. JOHNSON

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## Message Attributes

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